



Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1082

TO: Iowa Medicaid Pharmacies

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

DATE: December 21, 2011

SUBJECT: Pharmacy NCPDP D.Ø Implementation – Update 1 COB

EFFECTIVE: December 19, 2011

All pharmacies were also notified of the changes below by Fax Blast on December 19, 2011.

Iowa Medicaid recently implemented NCPDP D.Ø vD.0 COB Option 2, which adjudicates claims based on the “patient financial responsibility” amounts rather than on ‘Other Payer Amounts’ as the State’s current NCPDP v5.1 standard allows. With the implementation of the new NCPDP D.Ø Standard, situations have been encountered where the amount that should be collected from Iowa Medicaid members is unclear. Although the NCPDP “Letter to State Medicaid Directors” (dated October 25, 2011) provided some clarification for Medicaid claims processing, there has been recent information that clarifies requirements specifically for State Medicaid programs so the Medicaid claims adjudicate correctly. The recent clarifications necessitate that Iowa Medicaid develop a software enhancement and update our payer requirements for the field listed below.

Although you can continue to submit NCPDP D.Ø claims, we request that you submit only NCPDP v5.1 claims for TPL claims until we can deploy our software enhancement, which is scheduled for the week ending 12/23/2011. If you are unable to submit NCPDP v5.1 claims or if you receive a Patient Pay Amount (505-F5) not consistent with a Medicaid copay amount, please contact the Pharmacy Point of Sale (POS) Helpdesk at 877-463-7671 or 256-4608 (local) for clarification on claim payments for the Medicaid patient population for NCPDP D.Ø claims. We will provide additional notification when the upgrade is complete.

Updated NCPDP D.Ø Payer Sheet is posted at:

http://www.iowamedicaidpos.com/uploads/bc/zE/bczEwEt8QYNYclZWicQSLw/D0_Payer_Sheet_IAPOP_12162011.pdf

Payer Sheet Update

A. Pharmacy Request Transaction when submitted to Medicaid as a Secondary Payer

1. Other Coverage Code (308-C8)

All claims with an Other Coverage Code = 3 must contain at least **one** valid primary payer reject code in the Other Payer Reject Code (472-6E) field in the COB segment otherwise the claim will reject. Claims with an Other Coverage Code = 3

should not submit any Patient Responsibility Amounts in the COB segment or the claim will reject.

2. Other Payer-Patient Responsibility Amount Qualifier (351-NP)

Only the indicator '06 = Patient Pay Amount' will be accepted as an Other Payer-Patient Responsibility Amount Qualifier. Claims submitted with any other indicator (01—5, 07-13) solely or in combination with the '06' indicator will be rejected. We can only accept the '06' indicator to assure the claim adjudicates properly and only the Medicaid copay is return in the Patient Pay Amount (505-F5) field.

B. Pharmacy Response Transaction when Medicaid is a Secondary Payer

1. Patient Pay Amount (505-F5)

With the software upgrade the Patient Pay Amount will now reflect the true Medicaid copay amount calculated after Medicaid provider payment. This field should be used to collect payment from Medicaid patients. If you were previously instructed to collect payment based on the Amount of Copay (518-FI) field, the new software update will negate the necessity to utilize this field.

C. COB Segment

The field Other Payer ID (340-7C) in the COB segment should contain the **Primary** insurance's payer ID and **not** our Medicaid BIN number. Typically, the Other Payer ID is the primary insurance BIN number.

The purpose of the changes is to ensure that our Iowa Medicaid population is appropriately charged only their Medicaid copay and to reduce the confusion that has occurred for some NCPDP D.Ø COB claims.

We encourage providers to go to www.iowamedicaidpos.com to view all recent changes regarding D.Ø. If you have questions, please contact the Pharmacy Point of Sale (POS) Helpdesk at 877-463-7671 or 515-256-4608 (local in Des Moines) or email info@iowamedicaidpos.com.